Sectt. II-27—45,006—19-10-39.

P. W. (1940) Department.

MS SERIES.

G.O. No 2735

2735

Dated 7.12.40.

[Despatch Abstract.]

Electricity – Hospet Electric Licence

Accounts for 1938 – 1939 –

Rec'd with Remarks

Audit Report on the Accounts of the Hospet Municipal Electric license for the year 1938-39.

Name of Auditor:-- Sri. S.J.Sundarasami, District Inspector of Local Fund Accts, Bellary.

Time taken for Audit:-- From the 11th May 1939 to the 2nd June 1939.

--- (O) ---

The office of Chairman was held by Sri. Murari Venkataswamy from the 1st April 1938 to the 31st March 1939. The office of Commissioner was held by Sri. A.V.Krishna Rao Naidu from the 1st April 1938 to the 28th June 1938, by Sri. V.L.Narayana Rao from the 13th August 1938 to the 12th October 1938 and by Sri. N.G.Reddy from the 13th October 1938 to the 31st March 1939. Sri. Murari Venkataswamy the Chairman, was the Executive Authority during the period from the 29th June 1938 to the 12th August 1938.

2. The Annual Statements of Accounts of the year are appended.

3. The more important irregularities are detailed below. Irregularities of a minor nature are detailed in the objection statement which should be treated as part of the report.

UNAUTHORISED REMOVAL OF 423 GALLONS OF FUEL OIL FROM THE STOCK ACCOUNT

4. 423 gallons of fuel oil were removed from the balance on hand in the stock account at the close of the year for the reasons that there was a shortage of 112 gallons on account of the mixing of water and other foreign matter and that 311 gallons more were lost during the year in handling, leakgage and evaporation. The sanction of the Council to the write-off of the value of the quantity removed from stock was not obtained and pointed out.

CONTRIBUTION TO THE LEAVE SALARY FUND - NOT PAID.

5. The contribution to the leave salary fund due from the Municipality in respect of the Electrical Engineer Sri. M.R.Subramania for the period 25th February 1936 to the 31st March 1939 amounted to Rs.729-14- 0 according to the statement sent with the Chief Engineer's letter No.981 E-38-7 dated the 17th May 1939. But this amount was not paid to the credit of the fund till the close of audit.

3 4

ACCOUNT OF FUEL OIL.

6. On Vr.No.978 of March 1939, 260 gallons of fuel oil costing Rs.115- 6- 0 were paid for and they were received on the following dates as noted in the stock account.

120 gallons on 1st February 1939.
60 ,, 2nd February 1939.
80 ,, 7th February 1939.

But the receipt of 60 gallons noted in the stock account as having been received on the 2nd February 1939 was not included in the total struck nor is carried forward in the balances struck at the date up to the close of audit. This was included in the balance only after the omission was pointed out in audit.

ACCOUNTING STAFF - SEPARATION FROM ELECTRICAL ENGINEER'S OFFICE.

7. According to paragraph 8 of Section I of the Memorandum appended to G.O.No.3163, L.A., dated the 16th August 1938 the accounting staff of the Electrical undertaking should work directly under the control of the Commissioner. It was observed that this procedure was not followed and that the preparation and collection of energy bills were entrusted to the staff under the Engineer. The accounting was also done by the staff under the Engineer (5)

REVENUE ACCOUNT.

8. The sum of Rs.313-14- 1 shown as expenditure under the head 'C-Public lamps' would need to be treated as revenue to the Electric Concern payable from the general funds of the municipality by debit to the lighting tax account. The account would need to be suitably revised by means of a transfer entry. p 13 infra.

8-A. The Revenue Account should show the total demand on account of energy sold up to the end of March 1940, and the arrears should be shown under sundry creditors in the balance sheet.

9. AUDIT FEES: As the net revenue account shows a profit after allowing for the payment of loan instalment and interest, audit fees amounting to Rs.170- 6- 0 would need to be paid to the credit of provincial funds. This amount would also require to

be debited in the Revenue Account and shown as a liability in the balance sheet.

ACCOUNTS AND REGISTERS NOT MAINTAINED.

10. Of the accounts and registers required to be maintained in G.O.No.191 L & M., dated the 16th January 1936, the following were not maintained.

1. Cash day book.
2. Ledgers - Capital and Revenue.
3. Construction ledger.
4. Wages analysis book.
5. Journal.

STATEMENT OF ENERGY GENERATED, SOLD, ETC.

11. The Kilowatt hours not accounted for works out to 17.8 per cent of the total energy generated.

12. As the diversion of Rs.31,292- 2-10, from the General Account was effected for the purpose of meeting the deficit in the Revenue of the undertaking, the amount is not repayable and should not have been shown as a liability in the balance sheet. This amount would need to be exhibited in the net revenue account as an item of extraordinary receipt.

13. The general result of audit was satisfactory.

14. The gross receipts and charges of the year as seen from the transactions in the General Fund Account of the Municipality were Rs.1,28,540-11- 5 and Rs.1,21,782-14-11, respectively.

15. Fifteen items of objections involving a sum of Rs.1,559-6-0 were outstanding at the close of audit.

K.Srinivasa Mudaliar,
Deputy Examiner of Local Fund Accts.

(True Copy)

S. Subrahmanyam

SUPERINTENDENT,
Office of the Examiner of Local Fund Accounts, Fort St. George, MADRAS.

ARC/16.5.1940.

5/

Hospet Municipal Electric Licence Scheme

The Hospet Municipal Council

Accounts of the Hospet Municipal Electric Licence for the year ending 31-3-1939.

No.1 statement of loan authorised for the purposes of undertaking referred to above sanctioned licence prior to the end of the year for which the accounts are made up.

Amount Sanctioned Nature of loan.	Amount borrowed at 6½% ~~and since~~ and since reduced to 5½% from ~~4-12-34~~ 4-12-34.	Amount repaid at 6½% and since reduced to 5½% from 4-12-34	Amount Sanctioned but not borrowed.
1. Rs. 1,10,000/- from the District Board Kurnool sanctioned by Government in G.O. No.3928 L & M Ms. dated 4-10-32.	1,10,000	1,10,000	nil
II Rs. 1,00,000/- 3½% from the Government of Madras G.O.No. Ms.3844 L.A., dated 28-9-38 payable in 20 equal instalments of Rs.7036/- each.	1,00,000	-Nil-	nil.
III Amount debited from General Funds for Capital purpose Ber G.O.No.135 L.A., dated 10-1-1940. (1)	4059-5-4	-Nil-	nil.

Sd. S.J. Sundarasami,
21-4-40.
Dist.Inspector of
L.F. Accounts,
Bellary.

(True copy)

Sd. N. G. Reddy,
Commissioner.

Electrical Engineer

29/8/40

No. II Capital Account.

For the year ending 31st March

1939.

Dr.

	Expenditure upto the end of the previous year.	Expenditure during the year.	Total expenditure.
1. To preliminery expenses to be specified.	3353 -4 -6	-	3353- 4- 6
2. To lands including law charges incidental to occupation.	1599- 7- 0	-	1599- 7-0
3. To value of land appropriated for Electrical purposes per contract.	-	-	-
4. To buildings	14484-11-11	593-11-0	15078-6-11
5. To Plant	36143-14-11	781-5-0	36925-3-11
6. To mains	50800-8-2 -1200-9-2 -1189-2-6	685-3-7	51485-11-9 -1200-9-2 -1189-2-6
7. To service connections	3335-8-0 -844-1-7 -366-5-0	675-15-3	4011-7-3 - 844-1-7 -366-5-0
8. Transformers	-	-	-
9. To meters and fees for certifying under the Act.	1468-14-0 70-4- 1	281-8-0	1750 -6- 0 70-4- 1
10. To general stores	301-3-2 + 1625-11-7	233-12-4	534-15-6 + 1625-11-7
11. To transfer to sinking fund of value of lands sold as per contract.			
12. To amount applied to the reduction of principal of borrowed money from value of (2), lands sold as per contra.			
13. Sepcial items to be specified.			
(a) books etc.	7-1-0	-	7-1-0
(b) Public Lamps	1612-5-9		1612-5-9
(c) Furniture	129-7-0	-	129-7-0

9

	Expenditure up to the end of the previous year.	Expenditure during the year.	Total Expenditure.
(d) Tools and plant	832-15-11	501-10-0	1334-9-11
Total Expenditure	114059 -5- 4	3753-1-2	117812-6-6
	-2044-10- 9		- 2044-10- 9
	112014-10-7	3753-1-2	115767-11-9 ~~117812-6-6~~
To balance the capital Account.			98291-9-7
			214059-5-4

S.D)S.Sundarasami,
Dist.Inspector of
L.F.Accounts, Bellary.

Sd.N.G. Reddy,
Commissioner.

(True copy)

Electrical Engineer.

-1200- 9- 2 taken to special charges, service connection in Revenue account.

844- 1- 7 -do-

-3044-10- 9

dr 29/8/46

Material unutalised taken to General stores from service heads.

1189 -2 -6
366- 5- 0
70- 4- 1
1625-11-7

No. II Capital Account

For the year ending 31st March 1939.

Cr.

	Receipts up to the end of previous year.	Receipts during the year.	Total Receipts.
1. By amount raised by loans.	1,10,000-0-0	1,00,000-0-0	2,10,000-0-0
2. By value of lands belonging to authority appropriated for electrical purposes,	-	-	-
3. By value of surplus lands sold.	-	-	-
4. By other receipts	-	-	-
5. By loan raised from the General account of the Municipality	23,500-0-0	-19,440-10-8	4,059-5-4
	1,33,500-0-0	80,559-5-4	2,14,059-5-4

Sd.N. G. Reddy,
Commissioner.

Sd. S.J. Sundarasami,

Dist.Inspector of
L.F. Accounts,Bellary.

(True copy)

3/11/40

Electrical Engineer.

29/8/40

No. III Revenue Account.

For the year ending 31st March 1939.

Dr.		Cr.	
A generation.			
1. To fuel.	3,884-7-6	(1) By balance from last account less bad debts written off	
2. To oil waste and Engine room stores.	913-15-6	(2) By sale of energy for lighting purposes.	8,294- 6- 0
3. To proportion of salaries of Engineers, superintends and officers.	623-10-8	(3) By sale of energy for power purposes	1,433-11- 0
		(4) By sale of energy under special contracts.	
4. To wages and gratuities. .. .	1,231- 8- 0	(5) By public lighting	5,540-8-0
5. To repairs maintenance as follows:-		(6) By rental of meters and other apparatus on consumers premises.	933-8-0
Buildings	2-0 - 0		~~3,255-2-0~~
Plant	880-4- 6	(7) By rents receibale	-
6. To other items to be specified.		(8) By service connections.	3,255- 2- 0
		(9) By Miscellaneous receipts from consumers	9-14- 0
B. Distribution		(10) By other items to be specified.	49- 2- 0
1. To proportion of salaries of Engineers, Superintendents and officers.	623 -10- 8	(i) Fuse off cells.	31-8-0
2. Wages and gratuities..	1,075-1- 0	(ii) Amount recovered from crompton Co., for non production of Railway receipt.	17-6- 0
3. To repairs Maintenance and removal of mains.	73- 7- 6	(iii) Sale of booklet of rates and conditions.	0-4-0
4. To repairs, Maintenance removal of meters switches cut outs and other appartus etc.			49-2-0
C. Public Lamps.			
1. To attendance and repairs, ...	1- 1- 0	Total	19,516-3-0
2. renewals etc.	312- 13- 1		
D. Rents, Rates and Taxes			
1. To rents payable	1- 0- 0		
2. To rates and taxes.	--		

E. Management Expenses.		
1. To salaries, viz. Engineers Dept.		831-8-8
Clerical Dept.		484-3-0
2. To General Establishment		307-11-0
F. Law expenses		
to law expenses		
G. Special charges to be specified		105- 7- 3
2. Service connection during the year	671-0-11	
Service connection during 1937-38 acct. settled in 1938-39.	2044-10-9	
	2715-11-6	
		2715-11-8
Total Expenditure		14067-9- 0
Amount carried over to net Revenue Account.		5448-10-0
		19516-3- 0

Sd. S. J. Sundarasami,
21-4-40

District Inspector of
L.F. Accounts, Bellary.

Sd. P.B. Dutt,
Electrical Engineer.

Sd. N.G. Reddy,
Commissioner.

(True copy)

Electrical Engineer

29/8/40

15/

No. III Revenue Account.

G. Special charges specified.

1.	Section writers charges for writing up of energy bills	6-13-0
2.	Books and forms	18-14-3
3.	Inspection fees of Electrical Inspector.	35-0-0
4.	Advertisement charges	41-12-0
5.	Repairs to power house clock	2-8-0
6.	Money order commission charges on ~~pay~~repayment of loan	0-8-0
		105-7-3

Sd.N. G. Reddy,
Commissioner.

Sd.S.J.Sundarasami,
21-4-40
Dist.Inspector of L.F.
Accouts ,Bellary.

(True copy)

Electrical Engineer.

2/18/40

No.IV Net Revenue Account.

For the year ending 31st March 1939

Dr.		Cr.	
1. To deficit from last account	34356-14-11	1. Baalance from last account	
2. To interest on Mortage debt.	3357-7-9	2. By balance brought from Revenue Account No. III	5448-10-0
3. To interest of Principle of money borrowed from Government.	97240- 8 -9	3. Byinterest on money deposit of consumers.	56-0- 0
To repayment of annuity payable to General Funds.	494- 0-0	4 By Balance deficit	129944- 5- 5
Total	135448-15-5		135448-15-5

Sd. S.J. Sundarasami,
21-4-40.
Dist. Inspector of
L.F. Accounts, Bellary.

Sd.N. G. Reddy,
Commissioner.

(True copy)

Electrical Engineer

29/8/40

No. V Sinking Fund Account

Nil.

No. VI . Reserve Fund Account

Nil

Sd.N.G. Reddy,
Commissioner.

Sd.S.J. Sundarasami,

Dist. Inspector of,
L.F. Accounts,Bellary.

(TRUE COPY)

Electrical Engineer.

29/8/40

No.VII General Balance sheet

For the year ending 31st March 1939

Liabilities		Assets.	
1. To Capital Account Amount received per statement No.II.	214059 -5- 4	1. By capital amount expended for works as per Account No. II.	113607-0-8
2. To sundry creditor Amount kept under advance but not adjusted.	131- 9- 0	2. By stores on hand.	2160-11-1
To interest on consumers deposits.(unpaid)	56- 0- 0	3. By sundry debtors from current supplied to the end of the year.	293- 1-0
3. To net Revenue account at credit there of.	--	4. By other detors (service connection charges to be recovered.)	27-15-0 ~~22715-0~~
4. To sinking Fund Acct.	--		
5. To reserve Fund Account.	--	5. By securities as held(cost price).	---
6. To security deposit of consumers.	2589-13- 0	6.By other items to be specified.	---
7. Annuity payable in General funds for 38-39 not paid during the year	494-0- 0	7. By security deposits of consumers.	2589-13- 0
8. By amount diverted from General Funds.	31292- 2- 10	8. Dbit balance from net Revenue Account.	29944- 5-5
Total Rs.	248622-14- 2		248662-14-2

Sd.S.J. Sundarasami,
21-4-40.
Dist.Inspector of
local Fund Accounts,
Bellary.

Sd.P.B.Dutt,
Electrical
Engineer.

Sd.N.G. Reddy,
Commissioner.

(True copy)

Electrical Engineer.

30/8/40

HOSPET MUNICIPAL ELECTRICAL DEPARTMENT

Statement of energy generated, sold etc., for the year 1938-1939.

68475	Total energy generated in K.W.H.
21894	Public lamps
	By special contract
20483	Consumers by meter for lighting purposes.
7826	Consumers by meter for power purposes
50203	Total
6059	Kilowatt hours used on works
12213	Kilowatt hours not accounted for
56262	Total Kilowatt hours accounted for
11.22	Kilowatt connected for public lamps
172	Total consumers connected
83.395	Total kilowatts connected
99.5	Plants installed- Kilowatts
50	Maximum supply-demand in kilowatts.

Sd.N.G. Reddy,
Commissioner.

(True copy)

Electrical Engineer.

29/8/40

25

2917

P.W. Dept

Memo. no. 2237 E/40-2 dt 18-7-40

Hospet Electric licence -

Accounts for 1938-39.

Ref:- Letter from the Examiner of L.F.

Accts no L.F 1177 dt 4-6-40.

The Examiner of L.F. Accounts is requested to say whether the replies of the municipal council to the audit report on the accounts for 1938-39 of the Hospet Electric undertaking have been received and if so when they will be submitted to Govt. with his further remarks.

16/7 16/7

18/7

To

The Examiner of L.F. Accts.

Replies to Audit Report on the Accounts of the Hospet Municipal Electrical Licence for the year 1938-39

Para 2. Noted.

Para 3 Noted.

Para 4. Unauthorised Removal of 423 gallons of fuel oil from The Stock account.

The subject has been placed before the Council to obtain its sanction.

Para 5. Contribution to the Leave Salary Fund-Not paid.

The amount of leave salary due from this Municipality on behalf of Sri. M.R. Subramaniyam and Sri. P.B. Dutt has been paid in vourcher No. 999/3-40.

Para 6. Account of Fuel oil.

Noted.

Para 7 Accounts staff- separation from Electrical Engineer's Office

Proposals for the appointment of an additional Accountant has been made by the Council to the Inspector of Municipal Councils and Local Boards along with the reorganization proposals of staff for the Electricity Department . The accounting portion and the preparation of collection of energy bills will be done in the Commissioner's Office soon after the receipt of the approval of the Inspector with regard to the appointment of an Electric Accountant in the Commissioner's Office.

Para 8. Revenue Account

The Lighting tax is credited to the B-Lighting Account of the General Funds. All the expenditure on account of Electricity scheme is debited to B-Lighting Account of the General Funds. Hence no adjustment is necessary in the Lighting Account in view of the Government Memorandum No.17294-1-B-1 L.A. dated 28-5-1940.

Report to Audit Report on the Accounts of [illegible] Year.

Municipal Elections Income for the year 1936-37.

Para 2. Noted.

Para 3. Noted.

Para 4. Unauthorised Removal of Rs 200 balance of Fund at the Bank account.

The Auditor has been directed before Dec. 1937 to obtain his explanation.

Para 15. Contribution to Provident Salary Lists-Not paid.

The amount of Rs. 200/8-40 Contributions from Municipality on behalf of Sri. V. R. Krishnamurthy and Sri. P... Nath has been paid in Voucher No. 220/8-40.

Para 6. Account of Trial Pit

Noted.

Para 17 Accounts staff- segregation from electrical undertaking Office

Proposals for the appointment/and been made by the Council to the Inspector of Municipal Councils and Local Boards along with the reorganisation proposals of staff for the Electricity Department. The accounting portion and the preparation of office section of energy bills will be done in the Municipal Office soon after the receipt of the approval of the Inspector with regard to the appointments of an Electric Accounts Clerk in the Chairman's office.

Para 8. Revenue account

The Lighting tax is credited to the Electricity Account of the General Funds. All the expenditure account of Electricity account is credited to Lighting Account. Hence no adjustment is necessary in the Electricity Account in view of the Government Memo No. 17234-1-3-1 L.A. dated 26-3-1936.

31/29

Para 8-A. Revenue Account.

The energy sold during March will be recorded only in the month of April and bills for the same will be prepared only in April. Hence it is not possible to collect bills relating to the month of March in March alone as the meters for the consumption of March will be read only in the first week of April. Therefore the consumption of March is taken for April Revenue Account and not for March. As suggested in the report, if the March consumption is taken as March Revenue, all the amount will be in arfears as it is not possible to collect March consumption in March itself. In view of the above difficulty, the consumption during March is taken as revenue for April. I think that the arrears of energy bills have to be shown under sundry debtors of instead of sundry creditors as suggested in the report.

para 9 Audit Fees.

The net Revenue Account does not leave any plus balance after meeting the loan instalment and interest. The credit balance of the net Revenue Account as exhibited in the Accounts is Rs. 5448-10-0 where as the loan instalments including interest for one year is Rs.9205/- and hence evidently it shows a minus balance after deducting loan instalment. Therefore the question of payment of audit fee of Rs.170-6-0 may be dropped.

Para 10 Accounts and Registers

will be maintained during 1940-41.

Para 11 Statement of Energy Generated, sold etc.

The loss in units of energy not accounted for is being reported monthly to the Electrical Inspector to the Government of Madras for his technical security and no remarks have been passed so far by the Electrical Inspector.

---

 13 33 31

Para 12.

The sum of Rs. 31292-2-10 diverted from the General Account was for the purpose of meeting the deficit in the Revenue Account. The instructions are noted and will be carried out from 1-4-39.

Para 13 Noted

Para 14 Noted

Para 15 The objections will be cleared.

Commissioner. 6/7/40

5/7/40.

33

Copy of the Council Resolution No.169 dated 28-6-40

Read:-

1) Replies to Audit report on the Accounts of the Hospet Municipal ~~Ele~~ Electric Licence for the year 1938-39.

Resolution:-

Replies approved.

Sd.M.V.Swamy,
Chairman, M.C.

True copy

Commissioner. 6/7/40

5/7/40

15/ 35/

Copy of the Council Resolution No.179 dated 28-6-40

Read note of the Electrical Engineer dated 6-6-40 requesting the Council to write off 423 gallons of fuel oil from account as required in para 4 of audit report for the year 1939-40.

Resolution:

Written off from the accounts.

Sd. M. V. Swamy,
Chairman,
Municipal Council.

(Vide para 4 of the Audit report)

(True copy)

Commissioner.

5/7/40

37

Examiner's Office

Audit Report - Electric Licence Accounts
Hospet Municipal Council - 1938-39.

LF No 2286
29-7-40

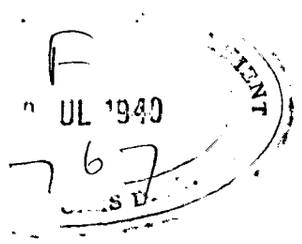
Forwarded to the Secretary to Government, Public Works (Electricity) Department, Fort St. George, Madras, with commissioner's replies and the resolution of the Council.

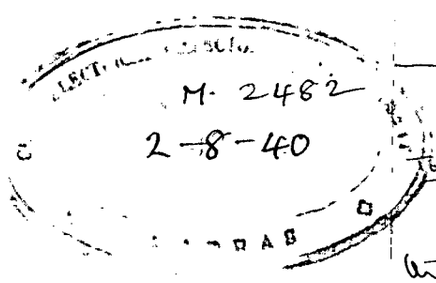
Para 2 & 29 audit

Paragraph 8 (a) of the Audit Report. The Revenue account should portray the complete working for the year whether the income has actually been received or not. As the cost of energy sold in March is income for the year, it has to be shown in the Revenue Account and the amount unrealised shown under sundry debtors in the balance sheet.

Para 2-3 and 29 audit

Paragraph 9 of the Audit Report. As the loan from the Kurnool District Board was fully repaid by the repayment of Rs.97,240-8-9 which in turn was made out of a fresh loan of Rs.10000 taken from the Government during the year, the repayment of the amount was not taken into account for the purpose of the calculation of audit fees.





Dy. Examiner of Local Fund Accounts, Madras.

P.W. Dept 27/7/40

This may be forwarded to the Ch. E. E. in continuation of his No. No. 2237 E/40-1 dt 10-6-40 for remarks

30/7 30/7 CE I.E. ms

P.W.D. No. 2237 E/40-3
30-7-40

Office of the C.E.I.G.

Sub: Hospet Electric Licence - Accounts for 1938-39.

Ref: P.W.D.U.O.No.2237 E/40-3 dated 18-7-40.

The accounts of the Hospet Electric Licence for 1938-39 have been scrutinized and the following remarks are offered:--

The supply was commenced on 25th October 1935 and the accounts rendered are for the 4th year of operation.

No.II - Capital Account.

F G. 692

In view of the fact that 32 service connections were given during the year under review, the debit of Rs.281-8-0 against "To Meters and fees for certifying under the Act" appears low. This has been explained by the Commissioner as follows:--

"During the year under review, a sum of Rs.320-14-0 was incurred for meters installed in consumers'premises. Out of this,meters to the value of Rs.281-8-0 were purchased and installed in consumers' premises during the year 1938-39. Meters for the rest of the value of Rs.39-6-0 were purchased and remained un-utilised at the end of the previous year. But the same was debited against 9 meters in the previous year's account instead of being shown separately under stock on hand. Hence considering that it will be double debit if again Rs.39-6-0 is debited against 9 meters during the year 1938-39, the sum of Rs.39-6-0 is omitted and the sum of Rs.281-8-0 which was the cost of meters purchased and installed during the year 1938-39 is exhibited against item 9 - meters."

In view of the reasons stated above, the Commissioner's reply may be accepted.

2. The exhibition of Rs.—19,440-10-8 against item 5 on the Cr.side as "By loan raised from the General Funds of the Municipality" is in accordance with the instructions mentioned in G.O.No.135 L.A. dated 10-1-40 and therefore is in order.

4
3. A sum of Rs.1,625-11-7 is exhibited against item"10 To General Stores". Materials unutilised should be exhibited under the suspense head of account "Stores on hand" in the General Balance Sheet and exhibited only in the Capital Account as and when they are actually capitalised.

5 No.III - Revenue Account.

1. It is learnt that the wages of the line coolies have been completely charged to 'B - Distribution'. The amount should be allocated towards "B. Distribution" and "C.-Public lamps" in proportion to the work done under each of the items.

6
2. The maintenance and renewal charges on street lights have not, it is reported, been recovered from General Funds. As the rate charged for street lighting is not inclusive of maintenance charges, the cost of attendance, repairs and renewals of Public lamps should also be charged to the General Funds of the Municipality

7
3. A sum of Rs.2,044-10-9 is exhibited under 'G. - Special charges', as service connection charges relating to the year 1937-38 and settled in 1938-39. This amount should find a place in the Net Revenue Account as it is not a charge relating to the year under review.

No.IV - Net Revenue Account.

1. Interest on consumers' security deposits was not paid to consumers, nor the securities were invested in interest bearing securities.

8
2. The sum of Rs.34,356-14-11 exhibited on the Dr.side against item 1 as "To Deficit from last account" should be deleted, as the amount is payable from General Funds, and since it was not utilised to meet Capital expenditure

General Balance Sheet.

The sum of Rs.12,994-5-5, diverted from the General Funds to meet the deficit in the Revenues of the undertaking

should not find a place in the General Balance Sheet as "debit balance from Net Revenues" but should be exhibited as an item of extra-ordinary receipt in the Net Revenue Account, (vide G.O.No.Ms.2261/18-9-39.). The balance of capital account viz. Rs.98,291-9-7 should be exhibited against "Cash" on the assets side of the General Balance Sheet.

Audit Report & Council's Rejoinder.

Paras 5, 6, 7, 10, 12, 13, 14, & 15. -- I agree with the Auditor. But the Municipal Council's reply may be accepted.

Para 8. - The adjustment suggested by the Examiner of Local Fund Accounts is necessary.

Para 9.- I agree with the Auditor.

Para 11.- The loss in units of energy works out to 17.8 per cent of the total energy generated. This requires looking into.

12. One set of accounts, is herewith enclosed.

18.11.40

C.E.I.G.U.O.No.A-70/38-39/40 dated the 13th/15th Novr.1940.

To The Secretary to Government, P.W.D. u.o. (with enclosure).

Encls: One set of accounts.

GS.

RECEIVED 18 NOV 1940

P. W. Dept.

Electricity - Hospet Electric licence -
Accounts for 1938-39.

C no. 2237 E/40 dt 4-6-40. From the Examr. of L.F. Accts L.F. no. 1177 dt 4-6-40.

" Do —— L.F. 2286 dt 29-7-40.

" ch. E & G. no. A. 70/38-39 1/40 dt 13/15 -11-40

To A.S.

Please see the audit report on the accounts for 1938-39 of the Hospet mul. Electrical undertakings on pp 1-3, the replies of the mul-cl. to the audit report on pp 27-31, the further remarks of the Examiner on p 37 and the remarks of the ch-E.&G. on pp 39-41 of Cf.

The remarks of the ch-E.&G. in paras 4-10 on pp 40-41 and his remarks on para 11 of the audit report on p 41 and the further remarks of the Examiner are to be replied to. Action under S(A) para 9 of the audit report may be communicated to the mul-cl.

A draft order is put up. L.A.D may see before issue.

27/11 27/11

SECRETARY TO GOVERNMENT
2 DEC 1940
LOCAL ADMINISTRATION DEPT.

TW 3/12

P.W.D.No. 2237 E/40-5
2-12-40.

30.11.40

L.A.P

2

44

L.A. Dept.

May be perused and returned to PWD

6.12.40

PWD.

5/12/40

4/12

5/12

LA Code No 38700-E

6.12.40

G 1020
6-DEC 1940
PUBLIC WORKS DEPT.

Draft

11 P/12

63

C.F. 16.
P.W. Dept.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT :— Electricity - Hospet Electric licence - Accounts for 1938-39 - Recorded with remarks.

READ AGAIN _____, dated _____ 19____

" " _____ " _____ 19____

READ *ALSO* :—

No. 2237E/40 From the Examr of L.F. Accts No. L-7-1177, dated 4-6- 1940

" _____ " Do " L-7-2286 " 29-7- 1940.

" _____ " Ch. E. I. A. " A-70/38-39/40 " 13/15 -11- 1940.

Order ~~Resolution~~ Ms. No. 2735, dated 7- 12- 1940

Recorded.

2. No. II Capital Account

A sum of Rs. 1,625-11-7 is exhibited against item "10. Is General Stores." Materials not utilised should be exhibited under the suspense head of account "Stores on hand" in the General Balance Sheet and ~~should~~ be exhibited in the Capital Account only as and when they are actually capitalised.

3. No. III - Revenue Account

It is ~~seen~~ reported that the wages of the line coolies have been completely charged to R-

hp 7-4 c/f.

para 4 on p 40 c/f.

hp 15-15 c/f.

para 5 on p 40 c/f.

Ex 4.6

"B. Distribution". The amount should be allocated towards "B. Distribution" and "C. - Public lamps." in proportion to the work done under each of the items. para 5 on p 40 c/

(ii) The maintenance and renewal charges on street lights have not, it is reported, been recovered from General Funds. As the rate charged for street lighting is not inclusive of maintenance charges, the cost of attendance, repairs and renewals of Public lamps should also be charged to the General Funds of the Municipality. para 6 on p. 40 c/

(iii) A sum of Rs. 2,046-10-9 is exhibited under 'G. - Special charges' as service connection charges relating to the year 1937-38 and settled in 1938-39. This amount should find a place in the last Revenue Account as it is not a charge relating to the year under review. para 7 on p 40 c/

4. No. IV Net Revenue Account p. 17 c/

It is reported that interest on consumers' security deposits was not paid to consumers and that the securities deposits were not invested para 8 on p 40 c/

in interest bearing securities. The attention of the aud. dt. is drawn to the instructions in ~~pa~~ G.O. no. 1250 P.W.D dt 26-6-37

(ii) The sum of Rs.34,356-14-1 exhibited on the debtor side against item "1. To deficit from last account" should be deleted from this account, as the amount is payable from the General Funds, since it was not utilised to meet capital expenditure.

5. No. VII. General Balance Sheet

The sum of Rs.12,994-5-5 diverted from the General Funds to meet the deficit in the revenues of the undertaking should not find a place in the General Balance Sheet as now shown under "debit balance from Net Revenues", but should be exhibited as an item of extra-ordinary receipt in the Net Revenue Account. The balance of Capital account viz. Rs.98,291-9-7 should be exhibited against "cash" on the assets side of the General Balance

4 ic

Sheet.

6. Audit Report and the Council's Rejoinder.

Para 8. The adjustment suggested by the Examiner of L.F. Accounts is necessary. — para 11 ... p 41 c/f.

Para 8(a). The Revenue account should portray the complete working for the year whether the income has actually been received or not. As the ~~cost for~~ of energy sold in March is... income for the year, it should be shown in the Revenue Account and the amount not realised shown under sundry debtors in the balance Sheet. — p 37 c/f.

Para 9. As the loan from the Kurnool District Board was fully repaid by the payment of Rs. 97,240-8-9 from the fresh loan of Rs. 1,00,000/- taken from Govt. during the year, the Exam. of L.F. Accts Considers that the annuity payable on the remaining loans alone should be taken into account for the purpose of calculation of audit fees... The Govt. agree with the Exam. ~~pay for the audit fee claimed~~.

~~should be paid~~

Para 11. The loss in units of energy works out to 17.8 per cent of the total energy generated. This should be looked into.

27/11 27/11

30.11.60

Dtd. by Van / Post / ~~Messenger~~

Dy. to Initials.

9 12 1942.

The Commissioner Hospet municipality through C.M.C.

The Ch. E. & A. (2 copies)

The Examiner of L.T. Accts.

Copy to L. A. Dept.

GOVERNMENT OF MADRAS

Received.....1940 Issued.....1940.

Secretariat - Local Self-Government Department - Accounts for 1938-1939 - Report - Audit Comments.

Read the following Audit Comments:-

(G.O.Ms.No. 2750 dated 9th December 1940.

Read the Audit Comments on Local Fund Accounts, Ex. Lets. 1177, dated 6th ~~June~~ July 1940.

Read the Audit Comments on Local Fund Accounts, No.C.1186 dated 29th July 1940.

Read the Director of Accounts and Treasuries Lr.No.A1/70/38-39/40 dated 4/1940 dated 5 1940.

Order No. 1 -

Accepted.

Re Para XX - Capital Accounts.

A sum of Rs.1613-12-7 is outstanding against Alam Mr.C.S. Contract Works. Rs.1613-12 may not collection should be exhibited under the Capital Account Suspense Account only and when they can be realised or if found irrecoverable.

Re Para XXI - Advances to Contractors.

It is reported that the Executive Engineers have been empowered to make Re-Distribution. But the same should be effected only after Re-Distribution. Re-Distribution Amounts in proportion to the amount due and not equal for Rs.

(ii) Re-Distribution should be made only on the basis of Rights have not been exercised. Where Rights have been exercised, the Re-Distribution should be effected to the Rights. As the Rights Rights do not entitle to Re-Distribution the case of Rights Rights, Rights the Amounts of Rights should be credited to the Rights Rights of the Municipality.

(iii) Sum of Rs.2,064-10-0 is outstanding against Municipal Councils. Service collection charges pertaining to the year 1937-1938 not settled in 1938-1939. This amount should also be paid to the Rights Revenue Account as it is not chargeable to the year Rights Rights.